



INDIANA DEPARTMENT OF TRANSPORTATION

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Eric Holcomb, Governor
Joe McGuinness, Commissioner

Memorandum

To: INDOT; Consultant Firms
From: INDOT Division of Economics and External Audit
Date: May 1, 2021
Subject: **Consultant Firm Direct Hourly Billing Rate Notice**

INDOT and our consulting partners have a long history of cooperation regarding the metrics that are considered and applied to generate annual labor rates and maximum allowable reimbursements.

The ECI index for "Professional, Scientific, and Technical Services" as set forth by the US Department of Labor's Table 9: Wages and Salaries has been the standard used to establish the annual rate increase for professional services contracts. For rate increases effective July 2019 and July 2020, we selected annual labor rate increases from Table 9 which, in both years, were above the State rate of 2.00% our employees received if rated as "Meets Expectations". We trust that our setting of the rate above the State's standard was understood as further continued support and partnership with our consulting partners.

This year, the national ECI Table 9 average increase was reported as 2.7%. In March 2021, State employees' "Meets Expectations" raise was 1%.

Continuing our effort of working together and keeping our state competitive, **we are setting the annual labor rate adjustment, effective July 1, 2021**, at 2.7% and the maximum allowable reimbursement, without executive approval, for consultant's incurred direct labor shall be \$73.13 per hour.

The annual labor rate adjustment and the maximum allowable reimbursement shall apply to all INDOT contracts signed on or after July 1, 2021 through June 30, 2022 and is not retroactive for contracts signed before July 1, 2021, unless indicated by an explicit clause in the contract. The annual labor rate adjustment and maximum allowable reimbursement affects contract agreement and amendment hourly rate escalation terms as provided in the relevant contract types.

Travis J. Underhill (for)
Joe McGuinness
Commissioner
Indiana Department of Transportation